(b) if so, the steps taken by the Union government to increase the Central investment;

(c) whether unemployment problems upto certain extent has been created in Punjab on this account;

(d) whether Government have received a proposal from Punjab Government seeking assistance for investment in the automobile, textile and farming sector; and

(e) if so, the decision taken by the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS, MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK): (a) to (c) Central investment is decided keeping into consideration national priorities and economic factors, and not merely on regional disparities.

(d) No proposal has been received from Punjab Government seeking assistance for investment in the automobile, textile and farming sectors.

(e) Question does not arise.

Planning Commission's Projection Regarding Financial Deficit

2757. SHRI S.M. KRISHNA: Will the PRIME MINISTER be pleased to state:

(a) whether the Planning Commission in its recent study of the economy has projected a fiscal deficit of 6.4% of GDP disputing all his claims of the figures on the subject; if so, to what extent the study of Government in fiscal deficit is authenticated;

(b) what are the major areas/sectors of economy taken into consideration by Government to reach definite figure showing fiscal deficit; and

(c) whether it is a fact that the base year of calculating GDP has been shifted from 1985 to 1993; if so, the details thereof; and the changes in GDP vis-a-vis fiscal deficit likely to come forth?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS, MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK): (a) No, Sir. The Planning Commission has not brought out any such study/projections on fiscal deficit.

(b) Fiscal deficit is defined as the difference between the revenue receipts (net) plus certain non-debt capital receipts and the total expenditure including loans, net of repayments. Upto the year 1998-99 net small savings collections were fully taken into account for computing the fiscal deficit of the Centre. With effect from 1.4.1999, a new system of transferring 75% of net small savings collections to States and UTs from the public account is being introduced. The budget for 1999-2000 excludes such transfer of share of net small svaings collections for arriving at the fiscal deficit of Rs. 79955 crore (4% of the revised GDP estimates) for the year.

(c) The Central Statistical Organisation (CSO) in the Department of Statistics introduced the new series of national accounts with the base year 1993-94 in place of the earlier series with base 1980-81. Due to the change in base year, the estimates of GDP have also been revised as shown below.

Gross Domestic Product (At current Prices)

(Rs. crores)

Year	Revised Series	Old Series	Percentage Difference
1993-94	799077	732874	9.03
1994-95	943408	868019	8.69
1995-96	1103238	1006286	9.63
1996-97	1285259	1149215	11.84
1997-98	1426670	Not available	

Gross Domestic Product (At Constant Prices)

(Rs. crores)

Year	Revised Series (1993-94 Base)	Old Series (1980-81 Base)
1993-94	799077	239145
1994-95	861064	257700
1995-96	926412	276132
1996-97	998978	296845
1997-98	1049191	311887
1998-99	1109983	Not available

The comparative estimates of Fiscal deficit/GDP ratio consequent on the change in base year and new system of transferring small savings collection are given below:

Fiscal Deficit/GDP Ratio

(Rs. crores)

Year	Fiscal Deficit GDP Ratio (Old)	Fsiscal Deficit/ GDP Ratio (Revised)*
1993-94	7.4	6.3
1994-95	6.0	4.6
1995-96	5.4	4.1
1996-97	5.2	4.0
1997-98	6.3	4.7
1998-99(RE)	6.5	4.5

*Based on the GDP estimates recently revised by the Central Statistical Organisation. This also excludes loans to states/UTs to facilitate a like to like comparison with budget 1999-2000.